



EM Projects Perspective

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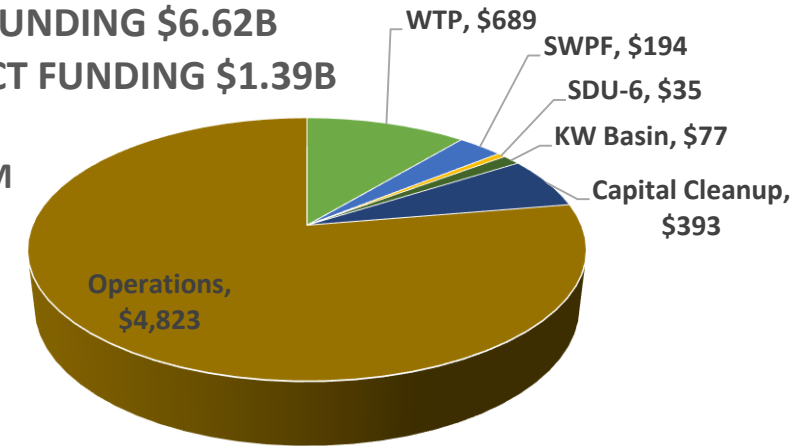


EM Portfolio Overview

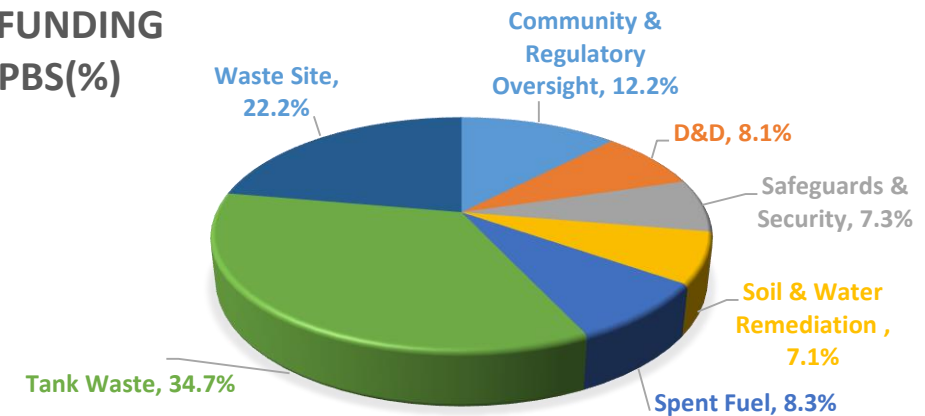
- **4 Line Item Construction Projects (post CD-2) – \$23.2B combined TPC**
 - **Waste Treatment and Immobilization Project (WTP)**
 - **Salt Waste Processing Facility (SWPF)**
 - **Saltstone Disposal Unit #6 (SDU-6)**
 - **K West Basin Sludge Removal Project**
- **10 EM Cleanup Projects (post CD-2) – \$2.7B combined TPC**
- **21 Active Pre CD-2 Projects - \$30.6B**
- **76 Operations Activities - Life Cycle Cost Range \$187B-\$210B**

FY2017 TOTAL FUNDING \$6.62B
CAPITAL PROJECT FUNDING \$1.39B

- LINE ITEM: \$994
- CLEANUP: \$393M



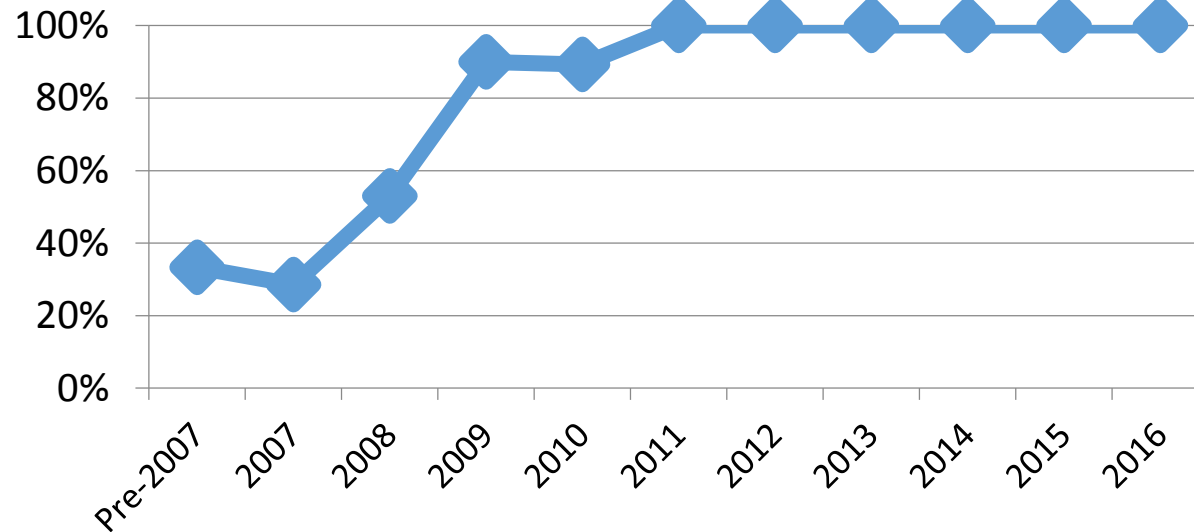
**FY17 FUNDING
BY PBS(%)**





EM Project Success Trend

**Project Success by
Fiscal Year Baselined (Original CD-2)**



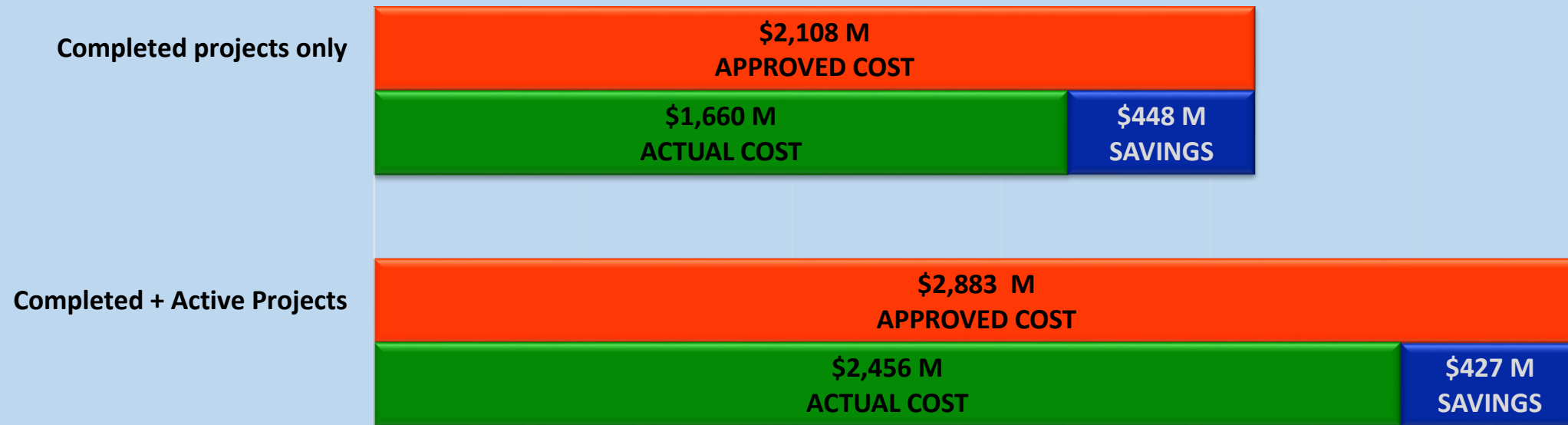
- EM projects baselined since 2008 have been more successful
 - Cumulative portfolio success of 92% (49 of 53) for projects baselined after FY 2008
 - Earlier baselines were only 44% (12 of 27) successful
- Factors contributing to improved results include:
 - Smaller well-defined projects
 - More design maturity at CD-2
 - Use of Peer Reviews
 - Proper funding

Fiscal Year of CD-2	2010	2011	2012	2013	2014	2015	2016
Success of completed projects	92% 24 of 26	100% 4 of 4	100% 1 of 1	--	--	--	
Forecast for active projects	50% 1 of 2	--	--	100% 1 of 1	100% 1 of 1	100% 3 of 3	100% 5 of 5
TOTAL All Projects	89% 25 of 28	100% 4 of 4	100% 1 of 1	100% 1 of 1	100% 1 of 1	100% 3 of 3	100% 5 of 5



Successful EM Baselines Result in Savings

EM Cost Savings (\$M) for projects baselined after fiscal year 2008



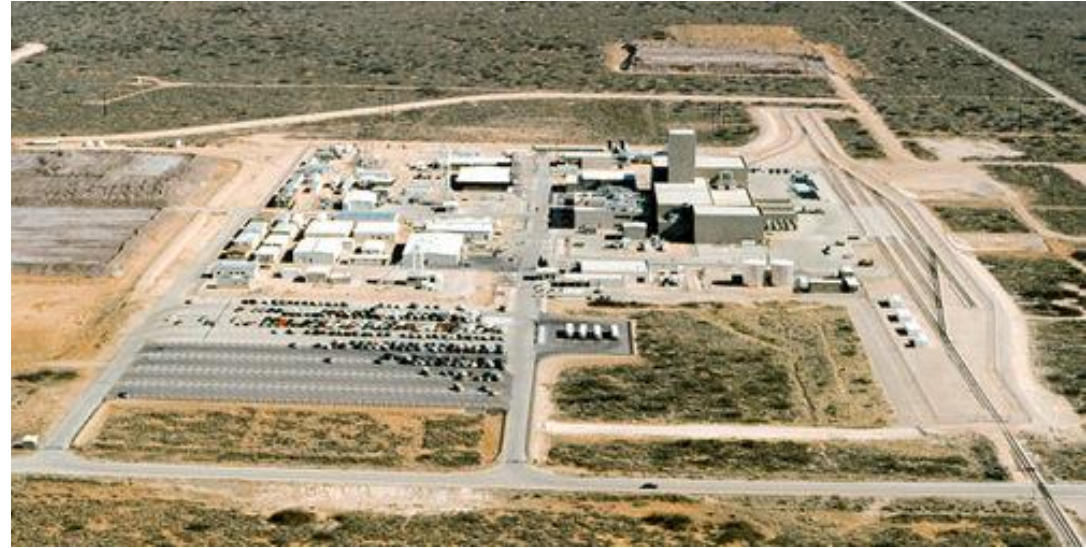
Projects baselined after FY 2008 were completed \$448M (21%) below their approved baseline TPC. Adding the forecast for still active projects, the savings are estimated at \$427M (15%).



EM accomplishments



K-27 final wall demolition



WIPP REOPENS



SWPF Completed construction



EM ACCOMPLISHMENTS (Looking back)

- Re-opened WIPP-January 2017
- Modified Hanford Waste Treatment and Immobilization Project (WTP) contract and baseline:
 - WTP contract for Direct Feed Low Activity Waste (DF-LAW) and baseline was modified in December.
 - Aligns both the contractor responsibility and the project risks through the restructuring of incentives
- Salt Waste Processing Facility (SWPF) construction was completed with DOE validation in May 2016
 - Startup, testing, and personnel training will take another 30 months.
 - SWPF is planning to be ready to start up operations by late 2018.
- DOE Oak Ridge: K-27 completed demolition in August 2016
- DOE Oak Ridge: K-31 obtained CD-4 approval February 2016
- WVDP: HLW canister relocation completed approximately 12 months early



HQ Support to the field

- EM HQ reorganization emphasized the need to shift focus to support the field for executing projects and operations activities
- EM HQ will assist field by offering expertise and services to ensure successful execution of field responsibilities
 - Field assist visits to prepare for IPR/EIR ICE reviews
 - Staffing studies using approved methodology and models
 - Self-assessments for independent assessment to determine readiness for EVMS certifications or surveillances
 - Project and Contract management training
 - Other requests
- EM HQ will be coordinating HQ reviews of various field offices to consolidate them during a time frame and lessen impact on site
- Evaluating requirements to lessen administrative burden for non-regulatory required activities and non-value add information requests.



Contracting Initiatives

- **Head Contracting Authority Vision**

- Push authority to the field
- Execute oversight responsibilities off the acquisition critical path
- Create systemic oversight model

- **Streamlining initiatives**

- Revised HCA delegation
 - Allows for contract actions to go directly from the field to the SPE
 - Recognition that there are redundant review levels
 - Impact: More effective resource utilization

- **HCA directive project**

- Steering committee reviewed all HCA 31 directives
- Recommendations:
 - Retain 8, Merge 5, Delete 18
 - Implementation of recommendations underway



Contracting Initiatives (con't)

- **September industry session**

- Linked to National Cleanup Workshop
- Listening session with panel format
- Focus on three areas of industry concern after bucketing the numerous concerns
 - ✓ Cost of cost proposals
 - ✓ Past performance
 - ✓ Small business participation (prime level, subcontracting level, meaningful work)

- **Fixed price contracting**

- Current policy is to fix price where it makes sense
- Use of fixed price CLINS and/or fixed unit rates is growing
 - Requires special care



Major EM Project Management Initiatives for FY 17

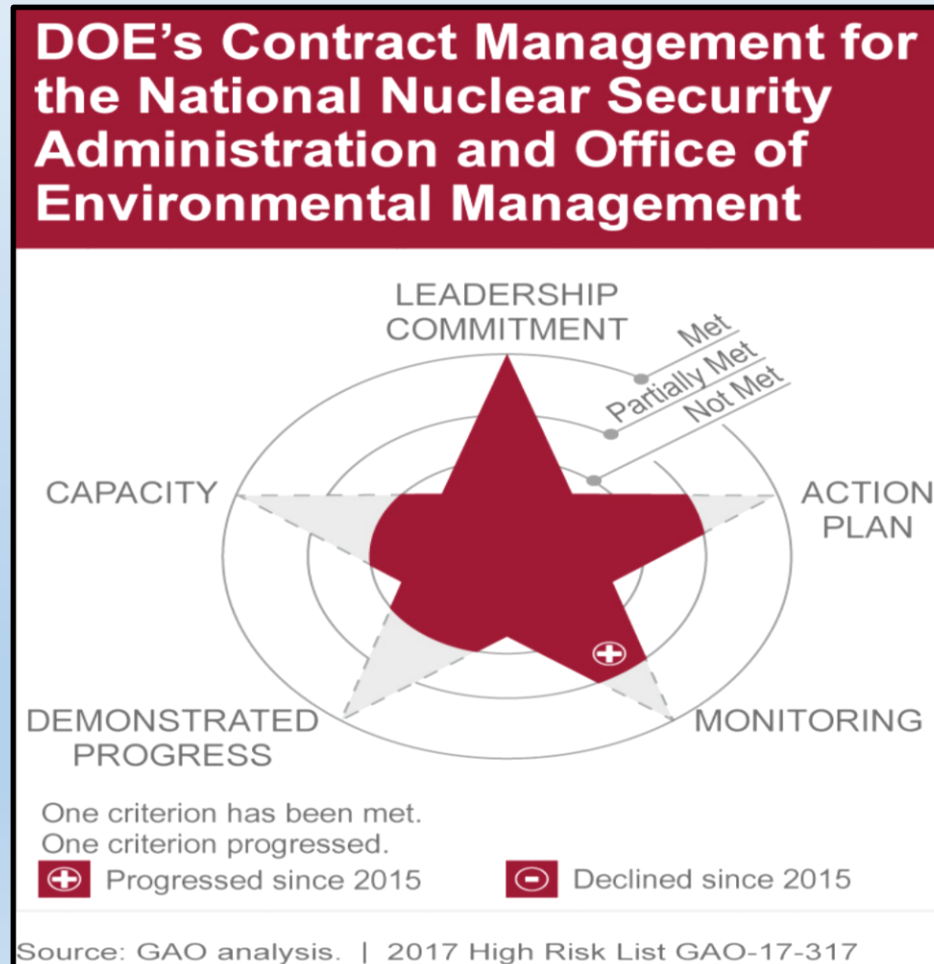
- Update EM Guidance for Capital Asset Projects & Operational Activities
- Develop an EM specific appendix to DOE Order 413.3B focusing on non-construction clean up projects
- Develop new guidance on performance metrics for EM Operational activities
- Develop action plan for addressing GAO February 2017 High Risk List Report
- Develop an EM consolidated field assessment plan





Addressing GAO 2017 High Risk Report

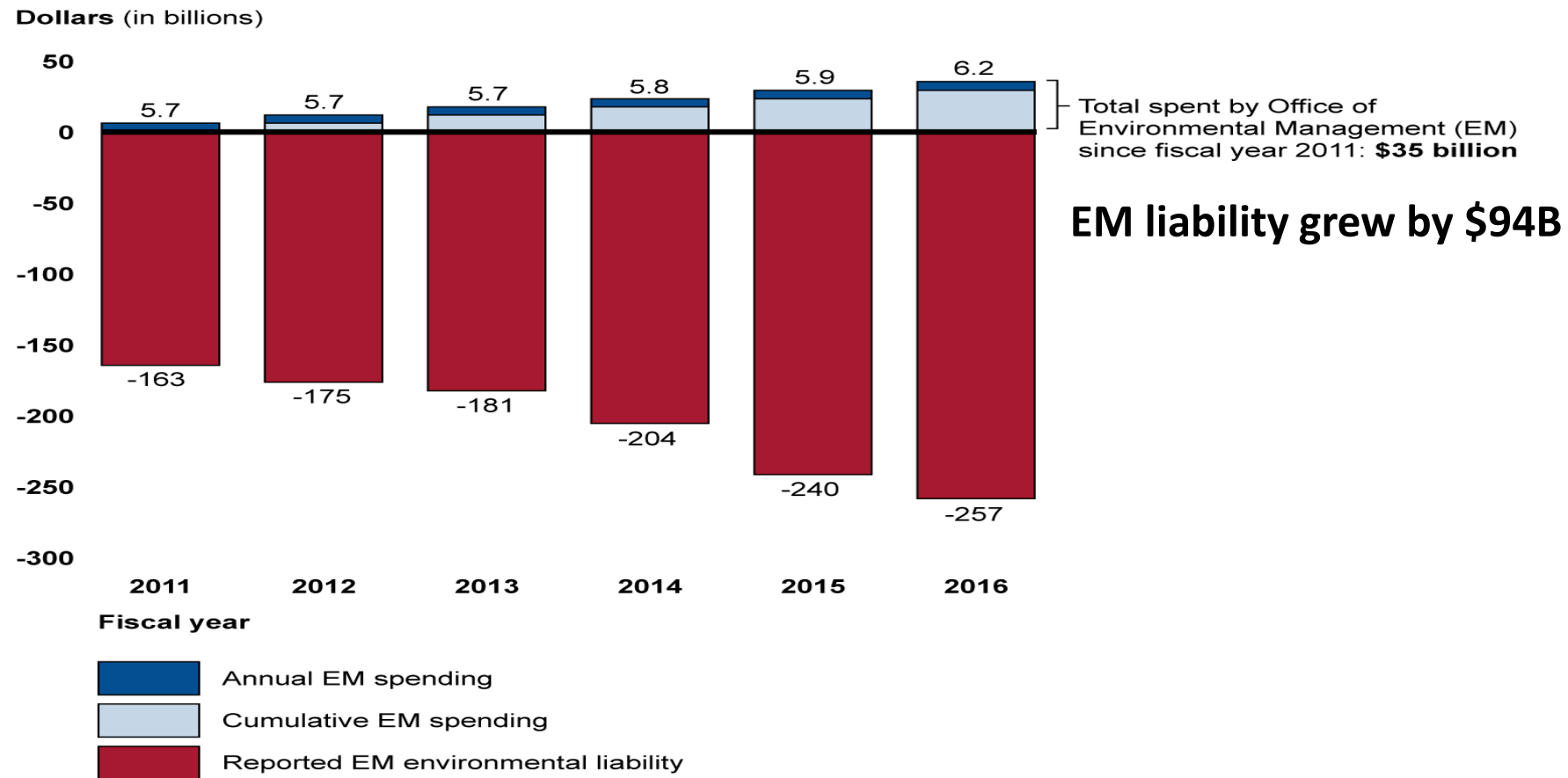
- EM's score on GAO's five criteria for successful contract & project management :





GAO 2017 High Risk List Report

- **New addition to GAO High risk report:** EM's portion of the Environmental Liability is growing:



Source: GAO analysis of Department of Energy budget data. | GAO-17-317